

Questions for the Record from Chairman Reichert to
Clarence H. Carter
Arizona Department of Economic Security

**Hearing on “*Improving the Safety Net: Better Coordinating Today’s Maze of
Benefits and Programs to Ensure Families Receive Real Help*”**

July 31, 2013

Ways and Means Subcommittee on Human Resources

Question 1 – Measuring whether programs improve recipient capacity

In your written and oral testimony, you stated that safety net programs should meet an individual's immediate needs while also helping them rely less on safety net programs in the future. As you pointed out, even though the goal of our safety net programs is to help a family or individual get “better,” Congress, States, and program administrators often fail to measure progress toward that goal. Instead, we may measure the number of people participating in a program, how much we spend on benefits, or what portion of the eligible population the program is serving.

What might we measure to better capture whether program benefits and services increase the capacity of recipients, reducing their need for these safety net programs in the future?

Response: The question of what we measure is one that we in Arizona are currently wrestling with. The framework for measuring our approach is that it is our objective to have a set of metrics that give us a complete picture of the physical and mental health, economic and social well-being, work history and employment readiness, as well as an attitudinal aspect of the consumer. To this end we are looking at two different sets of metrics: one is around hard, quantifiable data such as earnings, work history, education, literacy, financial infrastructure, debt to earnings and current level of public safety net dependency; the second set of metrics is self-reported, soft qualitative data (e.g., self-empowerment, consumer satisfaction, person's view of the future).

Our approach in Arizona will be to gather the preceding information during engagement with the consumer in order to establish a baseline. The individualized plan established with and for the consumer will set targets for all these metrics. Over time as we work with the consumer we will measure the movement of these metrics towards the established targets on a periodic basis.

Question 2 – Holding administrators and recipients accountable for progress

In your written testimony, you highlighted the importance of mutual responsibility in safety net programs, meaning both program administrators and benefit recipients must work to increase the recipient's capacity and reduce his or her dependence on government benefits. To do this, our nation's safety net programs must hold both administrators and recipients accountable for the steps they take toward this goal.

How might we change Federal safety net programs so both program administrators and recipients share responsibility for improving the recipient's well-being and reducing his or her dependency? What might the administrators' responsibilities be? What might recipients' responsibilities be? In each case, do systems exist to collect data on administrators' and recipients' success in meeting those responsibilities, so they can be held accountable for achieving real results? What should the consequences of failure be, in each case?

Response: We believe we can hold both the individual and the system accountable by both measuring and incentivizing their participation in the objective. In our model we are currently working on developing a set of incentives for administrators and recipients that we build into the policy construct to reinforce the objective of growing the capacity of the individual/family and thereby reducing their dependency.

As for the part of the question on whether systems are available to capture the relevant data; the answer is with a few tweaks and added fields, existing systems could easily accommodate this information. As for accountability, there should be performance incentives for both the safety net consumer and the program's administrators. Much like the SNAP incentivizes states for enrolling more people in the program; we could similarly incentivize states for reducing their rolls by demonstrating outcomes that grow the capacity of the consumer. For example, on the consumer side, for one who was longer term dependent, states could aggregate the five year cost of the benefits the enrolled consumer was eligible to receive at the time intervention begins and could then provide an incentive to the consumer that said for successful completion of one's plan which leads to reducing or ending his/her public dependency within a given timeframe, the consumer would have an opportunity to apply a portion of the savings toward sustaining their future independence (e.g., use toward postsecondary education, purchase of a first home or starting a small business). This incentive would not cost the tax payer more as the payment comes from the savings realized through the reduction of future expenditures for which the individual would have been eligible to receive. Failure to achieve the incentive would be the consequence.

Question 3 – Cross-program flexibility

In your oral testimony, you spoke about the importance of flexibility in Federal safety net programs, which would allow you to improve Federal benefits and services offered by your agency. In addition to providing flexibility within single programs, you expressed that Congress should provide States with flexibility across programs so you can better coordinate programs administered by different Federal agencies.

Congress pursued the idea of cross-program waivers in the early 2000s, although this policy did not become law. *Do you believe Congress should pursue this idea again, allowing States to test better ways of operating multiple safety net programs? If States were given flexibility across programs to administer them in different ways, could you provide more effective help by coordinating benefits and services so families can move up the economic ladder and become self-sufficient? Which programs and benefits would be the most important to include within the flexibility of such cross-program waivers?*

Response: The short answer is yes, to the question of providing more flexibility. We would recommend that any proposed flexibility be tied to the objective of growing the capacity of the individual/family and thereby reducing their dependency. Our construct would be to allow states to test models where the state would have to submit a comprehensive program for demonstrably growing the capacity of individuals served in order to reduce dependency for a defined number of safety net users. The programs we would recommend would be in the basic needs categories of nutrition, health and mental health, housing and cash assistance.

In the aggregate, it is our belief that our objective needs to be intentionally growing capacity of safety net users to reduce their dependency wherever possible, and that all of our policies and tools should be aligned to achieve that objective.